

3 Year Profit & Loss Projection

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Profit and Loss Projection (3 Years)

Enter your Company Name here

	2006	%	2007	%	2008	%
Sales	\$ -	100.00%	\$ -	100.00%	\$ -	100.00%
Cost/ Goods Sold (COGS)	-	-	-	-	-	-
Gross Profit	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Operating Expenses						
Salary (Office & Overhead)	\$ -	-	\$ -	-	\$ -	-
Payroll (taxes etc.)	-	-	-	-	-	-
Outside Services	-	-	-	-	-	-
Supplies (off and operation)	-	-	-	-	-	-
Repairs/ Maintenance	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Car, Delivery and Travel	-	-	-	-	-	-
Accounting and Legal	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Taxes (real estate etc.)	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Other expense (specify)	-	-	-	-	-	-
Other expense (specify)	-	-	-	-	-	-
Total Expenses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Net Profit Before Tax	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-
Net Profit After Tax	-	-	-	-	-	-
Owner Draw/ Dividends	-	-	-	-	-	-
Adj. to Retained Earnings	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

Notes on Preparation

You may want to print this information to use as reference later. To delete these instructions, click the border of this text box and then press the DELETE key.

A long term forecast is not a necessary part of a basic business plan. However, it is an excellent tool to help you open up your thinking about the company's future. Furthermore, venture capitalists will almost always want a long term forecast to get a feel for growth prospects.

The further out you forecast, the less accuracy you can maintain, so use round numbers, except where you know exact amounts; e.g.: rent expense if you have a long term lease.

The most important part of the long term forecast is not the numbers themselves, but the assumptions underlying the numbers. So make sure your assumptions are stated clearly and in detail in a narrative attachment. This will communicate your vision of the company's future and how you anticipate realizing that vision.

You will note that there are some lines on the bottom of this spreadsheet which may not be on a twelve-month P & L. This is to help you do some planning about funding growth:

- NET PROFIT BEFORE TAX is the same as Net Profit on a *12-month Profit and Loss* spreadsheet.
- INCOME TAX allows you to estimate how much of your profit will have to go to the IRS.
- NET PROFIT AFTER TAX is what is left for you to use.
- OWNER DRAW/ DIVIDENDS is how much the owners plan to take out for themselves.
- ADJUSTMENT TO RETAINED EARNINGS is the amount of profit actually left in the business to increase Owners' Equity and fund growth.